

PUBLIC SERVICE COMMISSION OF WISCONSIN

Quadrennial Planning Process IV

5-FE-104

FINAL DECISION

This is the Final Decision regarding the scope of the Quadrennial Planning Process IV.

Introduction

On March 19, 2020, the Commission issued a Notice of Investigation in this docket to evaluate the energy efficiency and renewable resource programs (both the statewide Focus on Energy program and utility voluntary programs) and to determine their appropriate goals, priorities, and measureable targets. ([PSC REF#: 386022](#).)

In the Notice of Investigation, the Commission indicated it would follow a process similar to the one used in the Quadrennial Planning Process III docket while opening this docket earlier in the process to provide sufficient time to conduct an energy efficiency potential study. The potential study was finalized by the Focus program evaluator Cadmus Group, Inc. (Cadmus), on September 10, 2021. ([PSC REF#: 420467](#).) In addition, in its Final Decision of March 10, 2021, the Commission authorized funding for Cadmus to conduct a rooftop solar photovoltaic (PV) potential study to inform the Quadrennial Planning Process IV (Quad IV). ([PSC REF#: 406592](#).) A Rooftop Solar PV Potential Study was conducted and finalized by the Cadmus on October 4, 2021. ([PSC REF#: 421984](#)).

Six organizations, Clean Wisconsin, RENEW Wisconsin, the Wisconsin Industrial Energy Group, the Midwest Renewable Energy Association, Citizen's Utility Board (CUB), and AXIOM Energy Group requested intervention in this docket. ([PSC REF#: 386323](#)), ([PSC](#)

[REF#: 386749](#)), ([PSC REF#: 386538](#)), ([PSC REF#: 387677](#)), ([PSC REF#: 422105](#)), and ([PSC REF#: 422139](#)) respectively.) On October 26, 2021, Commission staff provided a memorandum regarding the appropriate scope of Quad IV to the public and parties for comment. ([PSC REF#: 423921](#).) Numerous organizations and several members of the public submitted comments in response. The Commission discussed the scope of the Quad IV planning process at its open meeting on December 2, 2021.

Findings of Fact

1. It is reasonable and in the public interest for the Commission to determine the Scope of the Quadrennial Planning Process IV as set forth in this Final Decision.

Conclusions of Law

1. The Commission has jurisdiction under Wis. Stats. §§ 196.02, 196.374, and 196.395, and Wis. Admin Code ch. PSC 137 to set and revise goals, programs, budgets, priorities, and measureable targets for Focus and to take all other actions necessary relating to the Commission's oversight of Focus.

2. The Commission may impose any term, condition, or requirement necessary to protect the public interest pursuant to Wis. Stats. §§ 196.02, 196.374, and 196.395.

Opinion

Quadrennial Planning Process

The Commission oversees Wisconsin's statewide energy efficiency and renewable resource programs, commonly known as the Focus on Energy program (Focus). Wis. Stat. § 196.374(3)(a). The Commission has overseen Focus since 2007 and under Wis. Stat. § 196.374(3)(b)1., the following is required of the Commission among other statutorily identified tasks:

At least every 4 years, after notice and opportunity to be heard, the commission shall, by order, evaluate the energy efficiency and renewable resource programs under sub. (2) (a) 1., (b) 1. and 2., and (c) and ordered programs and set or revise goals, priorities and measurable targets for the programs. The commission shall give priority to programs that moderate the growth in electric and natural gas demand and usage, facilitate markets and assist market providers to achieve higher levels of energy efficiency, promote energy reliability and adequacy, avoid adverse environmental impacts from the use of energy, and promote rural economic development.

In conjunction with the Commission's obligations to continually evaluate the Focus programs, Wis. Stat. § 196.374(5m)(b) requires that the Commission ensure "that customers throughout the state have an equivalent opportunity to receive the benefits of" statewide energy efficiency and renewable resource programs. Wisconsin Stat. § 196.374(2)(a)2. identifies specific program components that must be included with the Focus program.

The Commission's decisions in the first Quadrennial Planning Process (docket 5-GF-191) ([PSC REF#: 141173](#)) covered the 2011-2014 period for management of the Focus program and decisions in the Quadrennial Planning Process II (docket 5-FE-100) covered the 2015-2018 period ([PSC REF#: 215245](#)) ([PSC REF#: 218476](#)). The decisions in Quadrennial Planning

Docket 5-FE-104

Process III (docket 5-FE-101) are in effect for the 2019-2022 period and the decisions in Quad IV (docket 5-FE-104) will be in effect for the 2023-2026 timeframe. ([PSC REF#: 343909](#)).

Determining the scope of the Quad IV involves deciding which of the decisions made in the Quadrennial Planning Process III, in addition to the statutorily required decisions, should be revisited, as well as whether any new issues should be addressed in Quad IV. For example, the Commission determined at its September 2, 2021 meeting that the Quad IV scope will include five topics identified during the Roadmap to Zero Carbon Investigation (docket number 5-EI-158). ([PSC REF#: 421399](#)). A summary of the decisions made in the Quadrennial Planning Process III are set forth in Attachment A to the October 26, 2021 memorandum for reference. ([PSC REF#: 423921](#).)

The Commission received comments from 14 organizations and individuals: Wisconsin Utilities Association ([PSC REF#: 426016](#)); Citizen's Utility Board (CUB) ([PSC REF#: 426104](#)); Rocky Mountain Institute ([PSC REF#: 426103](#)); Slipstream ([PSC REF#: 426098](#)); Vermont Energy Investment Corporation (VEIC) ([PSC REF#: 426094](#)); Wisconsin Local Government Climate Coalition (WLGCC) ([PSC REF#: 426092](#)); Dan York with the American Council for and Energy-Efficient Economy (ACEEE) ([PSC REF#: 426071](#)); Clean Wisconsin ([PSC REF#: 426056](#)); Wisconsin's Green Fire ([PSC REF#: 426050](#)); RENEW Wisconsin ([PSC REF#: 426038](#)); Axiom Energy Group ([PSC REF#: 425980](#)); APTIM ([PSC REF#: 426099](#)); Evaluation Work Group ([PSC REF#: 426080](#)); and Lila Zastrow & Dave Hendrickson ([PSC REF#: 426025](#)).

Proposed Scope of the Quadrennial Planning Process IV

Given the nature of the topics before the Commission in Quad IV, Commission staff proposed to divide the planning process into three phases. Phase I includes the Macro Policy Priorities that originated in the Roadmap to Zero Carbon Docket. Commission staff invited comments on how these topics could be incorporated into the Focus program during the 2023-2026 period as well as the relative importance of these five topics to stakeholders and the public.

Decisions on Phase I topics would influence and impact the alternatives and decisions in Phase II of the process. Commission staff rationalize that certain decisions in Phase I may require an analysis of specific considerations to align Commission priorities with approaches to operationalize those priorities through a subsequent phase of the Quad IV planning process. Considerations pertaining to tracking and evaluating program performance in a manner consistent with those decision priorities is also relevant for Phase II decisions. For example, decisions in Phase I that may broaden or narrow the scope of Focus program offerings are likely to require an assessment of appropriate program evaluation metrics as well as the appropriate data and methods for assessing program performance. Phase II also includes decisions involving budgets which could impact the goals being set in Phase III.

Finally, Phase III would look at goals, targets and Key Performance Indicators (KPIs) for the Focus program in Quad IV after taking into account the decisions from Phases I and II. Again, staff recognize that the priorities the Commission establishes in prior phases of Quad IV planning will shape the considerations for setting appropriate measurable targets for the 2023-2026 period and that shifts in Commission priorities may require new or innovative approaches to establishing goals and measuring performance.

The Commission finds Commission staff's proposals to be reasonable and approves the following phases and topics for exploration in the Quad IV planning process:

Phase in Quad Planning	Proposed Quad IV Topics
Phase I – Macro Policies and Priorities	<ol style="list-style-type: none"> 1. Alignment of Focus performance goals and program offerings with decarbonization goals 2. Electrification programs and offerings 3. Programs and offerings for low-income customers 4. Collaboration between Focus and Utility Demand Response Programs 5. Utility Voluntary Programs
Phase II- Micro Implementation Decisions	<ol style="list-style-type: none"> 1. How should overall energy goals be stated and tracked? 2. Emphasis between Energy and Demand 3. Emphasis between Business and Residential 4. Inclusion of Underserved Rural Areas 5. Resource Acquisition and Market Transformation
Phase II – Cost Effectiveness Decisions	<ol style="list-style-type: none"> 1. Primary and Secondary Cost-Effectiveness Tests 2. Carbon Value 3. Avoided Costs 4. Discount Rate 5. Avoided Transmission & Distribution (T&D) Costs
Phase II- Budget Issues	<ol style="list-style-type: none"> 1. Energy Efficiency 2. Renewables 3. Environmental and Economic Research and Development 4. Other
Phase II - Other	Does the Commission need to approve pilots for behavioral programs?
Phase III	Goals, Targets and Key Performance Indicators

ORDER

1. The Quadrennial Planning Process IV shall include the Phases and Topics for exploration as described in the table above.
2. Jurisdiction retained.

Dissent

Commissioner Nowak dissents.

Dated at Madison, Wisconsin, the 16th day of December, 2021.

By the Commission:

A handwritten signature in black ink that reads "Steffany Powell Coker". The signature is written in a cursive, flowing style.

Steffany Powell Coker
Secretary to the Commission

SPC:KN:TK:JP:JS:kle DL:01844535

See attached Notice of Rights

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**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

¹ See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.